

BEFORE THE  
POSTAL REGULATORY COMMISSION  
WASHINGTON, D.C. 20268-0001

COMPETITIVE PRODUCT PRICES  
PRIORITY MAIL CONTRACT 78 (MC2014-19)  
NEGOTIATED SERVICE AGREEMENT

Docket No. CP2014-32

**NOTICE OF UNITED STATES POSTAL SERVICE OF  
CHANGE IN PRICES PURSUANT TO  
AMENDMENT TO PRIORITY MAIL CONTRACT 78**  
(March 1, 2016)

The Postal Service hereby provides notice that prices under Priority Mail Contract 78, in the above-captioned proceeding, have changed as contemplated by the contract's terms. A redacted version of the amendment to Priority Mail Contract 78 is provided in Attachment A, and the unredacted amendment is being filed under seal. The amendment will become effective the later of March 12, 2016, or two business days after the day that the Commission completes its review of this filing.

The Postal Service is also filing supporting financial documentation and a certified statement as required by 39 C.F.R. § 3015.5. The certified statement required by 39 C.F.R. § 3015.5(c)(2) is provided in Attachment B. A redacted version of the supporting financial documentation is included with this filing as a separate Excel file. The Postal Service's original application for non-public treatment in this docket is hereby incorporated by reference for the protection of these materials.

Respectfully submitted,

UNITED STATES POSTAL SERVICE

By its attorneys:

Daniel J. Foucheaux, Jr.

Chief Counsel, Pricing and Product Support

Elizabeth A. Reed

475 L'Enfant Plaza West, S.W.

Washington, D.C. 20260-1137

(202) 268-3179, Fax -6187

[elizabeth.a.reed@usps.gov](mailto:elizabeth.a.reed@usps.gov)

March 1, 2016

**ATTACHMENT A**

**REDACTED AMENDMENT TO PRIORITY MAIL CONTRACT 78**

**AMENDMENT OF  
SHIPPING SERVICES CONTRACT  
BETWEEN  
THE UNITED STATES POSTAL SERVICE  
AND**

**REGARDING PRIORITY MAIL SERVICE**

WHEREAS, the United States Postal Service ("the Postal Service") and [REDACTED] ("Customer") entered into a shipping services contract regarding Priority Mail service on February 10, 2014.

WHEREAS, the Parties desire to amend Sections I.F and I.H.

NOW, THEREFORE, the Parties agree that the contract is hereby amended as detailed below. The existing contract remains unchanged in all other respects. This amendment shall become effective the later of March 12, 2016, or two business days following the day on which the Commission issues all necessary regulatory approval.

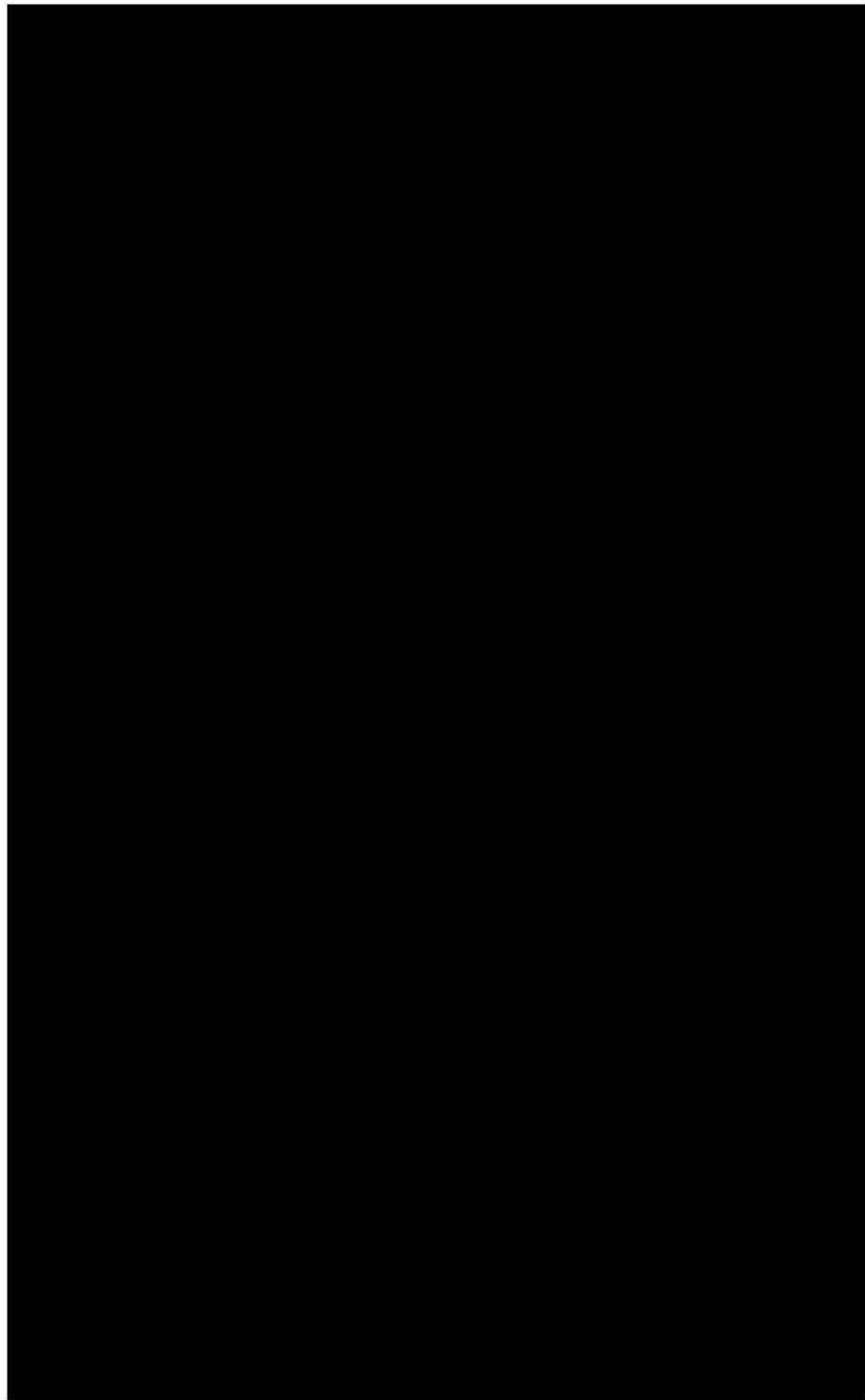
[Replace Sections I.F and I.H in their entirety, as follows:]

**I. Terms**

**F. Prices**

1. From the effective date of this amendment until the anniversary of the contract's effective date, Customer shall pay the prices shown in Tables A-E for Contract Packages based on Customer's volume of Contract Packages shipped during the previous full Contract Quarter.





H. Annual Adjustment

1. For subsequent years of the contract, beginning on the anniversary of the contract's effective date, customized prices under this contract will be the lesser of: (a) the prices in Tables A-E plus the most recent (as of the anniversary date) percentage change in prices of general applicability for Priority Mail Commercial Base, as calculated by the Postal Service, or (b) the prices in Tables A-E plus [REDACTED]

2. Customized prices for the subsequent years will be calculated by the Postal Service and rounded up to the nearest whole cent. If the Postal Service maintains or decreases published prices of general applicability for Priority Mail Commercial Base, there shall be no change to contract pricing for that contract year.

IN WITNESS WHEREOF, the Parties hereto have caused this amendment to be duly executed as of the later date below:

UNITED STATES POSTAL SERVICE

Signed by: \_\_\_\_\_

Printed Name: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

*[Signature]*  
Cliff Rucker  
VP Sales  
2/24/16

**ATTACHMENT B**  
**SIGNED CERTIFICATION**



**Certification of Prices for Amendment to Priority Mail Contract 78**

I, Steven R. Phelps, Manager, Regulatory Reporting and Cost Analysis, Finance Department, am familiar with the prices and terms for the amendment to Priority Mail Contract 78. The amended prices and terms contained in this Contract were established by the Decision of the Governors of the United States Postal Service on the Establishment of Prices and Classifications for Domestic Competitive Agreements, Inbound International Competitive Agreements, and Other Non-Published Competitive Rates (Governors' Decision No. 11-6).

I hereby certify, based on the financial analysis provided herewith, that the amended prices are in compliance with 39 U.S.C § 3633 (a)(1), (2), and (3). They are expected to cover attributable costs. There should therefore be no subsidization of competitive products by market dominant products. The amended contract should not impair the ability of competitive products on the whole to cover an appropriate share of institutional costs.

  
\_\_\_\_\_  
Steven R. Phelps